Verdict on Mauritius Case

2093. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the CBDT through a circular had stipulated that certificate of residence from the Government of Mauritius is sufficient proof of the concerned company's Mauritian origin;

(b) whether subsequently the Delhi High Court had quashed the CBDT notification resulting in an appeal before the Supreme Court; and

(c) whether the Supreme Court has since given its verdict on the appeal and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) v_{es}, Sir. CBDT issued Circular No. 789 dated 13.4.2000 wherein it was clarified that wherever a certificate of residence is issued by the Mauritian authorities, such certificate will constitute sufficient evidence for accepting the status of residence as well as beneficial ownership for applying the Double Taxation Avoidance Convention accordingly.

(b) Yes, Sir. Delhi High Court had in its judgement dated 31.5.2002 quashed the CBDT Circular No. 789 dated 13.4.2000. On the advice of Solicitor General, the Union of India has filed a Special Leave Petition before the Hon'ble Supreme Court.

(c) The hearing in the matter has been concluded and the judgement is yet to be delivered.

Debt Burden of States

† 2094.PROF. ALKA BALRAM KSHATRIYA:
DR. PRABHA THAKUR:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that loan repayment obligation of States has increased substantially after the enhanced burden of revised pay on revenue expenditure of all States;

† Original notice of the question was received in Hindi.